



Count on our
Knowledge
and **Expertise...**

About KomBench..

KomBench is a financial services intermediary established in the Dubai Multi Commodities Centre Free-zone. KomBench DMCC is a registered member of Dubai Gold and Commodities Exchange. We are licensed and regulated by the Emirates Securities and Commodities Authority to carry out commodities broking business in UAE.

KomBench DMCC is jointly owned by KomBench Financial Services Ltd (India) and Dubai-based Red Orange Group, a global logistics solutions provider. KomBench Financial Services (India) is a member of Multi-Commodity Exchange of India.

KomBench is a professionally managed organization with the senior management personnel drawn from popular brokerage houses and financial services companies. We believe that professionalism and integrity are our prime virtues, knowledge and Expertise being our core strengths. We trust that the purpose of business is to add value to our Customers, Staff, shareholders and society.

KOMBENCH IS A DIVERSIFIED FINANCIAL SERVICES GROUP AND HAS THE FOLLOWING ENTITIES UNDER ITS UMBRELLA.

DGCX

DGCX is a joint venture between the Dubai Multi Commodities Centre (DMCC) – Government of Dubai, Financial Technologies (India) Limited and Multi Commodity Exchange of India Limited (MCX). Management of DGCX comprises of senior personnel from commodities, securities & financial services industry bringing experience, expertise and a track record to ensure the success of DGCX.

DGCX is a technology driven, de-mutual organization committed to provide a world-class trading platform for a wide array of commodities and to implement the best global practices, with the highest level of transparency.

DGCX provides opportunities to invest and hedge through derivatives instruments on Gold, Silver, Steel, Fuel Oil, Cotton etc and currencies such as Euro, Yen and Pound.





KOMBENCH SIGMA

KomBench SIGMA is a portfolio management product from KomBench wherein the pool of funds is invested in commodity / currency futures instruments traded on Dubai Gold and Commodities Exchange (DGCX).

The Greek Letter SIGMA (σ) signifies 'deviation'. KomBench SIGMA invests in commodities asset class which is classified as 'alternative investment' and so much different from the traditional equity, fixed income and real estate investments.

COMMODITIES AS ASSET CLASS

Commodities, though being one of the oldest asset classes shot into fame during the last few years when the professional portfolio managers and hedge fund managers searched for investments with high returns potential. With the world economies expanding rapidly and demand for commodities sky-rocketing, the entire asset class has been seeing a healthy long-term bull trend which has so far made commodities outshine other asset classes.

Commodities in recent years have seen steady inflow of investments and seem to be well-set to ride the wave in

the foreseeable future. Following table shows the annualized returns realized from commodities compared with other popular asset classes. Commodities have out-performed other forms of investments including Hedge funds during the last 5 years.

Asset Class	Index	Last 5 Years	Last 10 Years
Commodities	GSCI TR	14.80%	9.40%
Equities	S&P 500 Composite	5.00%	9.80%
Fixed Income	JPM Govt Bond Index TR	4.80%	6.20%
Hedge Funds	CSFB/Tremont Hedge Fund Index	8.60%	11.00%
Emerging Market Bonds	JPM Emerging Markets Bond Index TR	12.10%	11.70%

Commodities cycles last longer than equities and so may have many more years of bull-run to come. Famous commodities bulls such as Mark Faber and Jim Rogers believe that commodities bull-run has just begun.

CURRENCY MARKETS

Currency markets are the most liquid of all financial markets in the world with the daily trading volume exceeding \$2 trillion. Currency derivatives markets combine the advantages of leveraged trading and low costs to provide an efficient medium of benefiting from the movements in currency pairs.

Following chart shows the volumes in currency spot markets

Year	1989	1992	1995	1998	2001	2004
Average Daily Turnover (\$mn)	600	820	1200	1500	1200	1900

SIGMA – PRODUCT DETAILS

Investment philosophy: To generate above-average returns by investing in derivatives traded on DGCX and by optimizing leverage and holding period.

Scope of Investments: Managed futures product shall invest the proceeds in leveraged futures on Commodities and currencies listed and traded on the Dubai Gold and Commodities Exchange (DGCX).

Investment Strategy: KomBench Managed futures product tries to strike a balance between the short-term tactical trading and long-term strategic investments to generate above-average returns from the market.

Risks Involved:

Market Risk: Managed futures investments are subject to market risk both specific to the commodity/currency and generic to a group of commodities/currencies

Leverage Risk: Managed futures product invests in leveraged instruments which magnify the risks and returns.

Risk Optimization:

KomBench Managed future tries to optimize the risks by determining appropriate leverage levels to be maintained from time to time. A combination of fundamental and technical research is used to determine the choice of investments and timing.

Benefits:

Portfolio Diversification: Managed futures invest in futures instruments on various commodities like Gold, Silver, cotton, fuel oil and also currencies such as Euro, Pound, Yen. Therefore there is an inherent portfolio diversification built into the product

Professional portfolio management: Sigma accounts are managed by a professional advisor well qualified and experienced in trading these markets supported by a team of analysts and researchers who hold specialization in various techniques of research and price-forecasting. The execution of trades is carried out by specialist traders.

Alternative Investments: Sigma helps investor to allocate some of his investment funds into alternate asset class such as commodities and currencies. This helps investor to avoid excessive concentration in traditional asset classes including equities, bonds and real estate.



PORTFOLIO MANAGERS PROFILES

Gnanasekar Thiagarajan possesses rich experience in the Commodity and Foreign Exchange markets. Formerly, a Forex dealer with The Bank of Nova Scotia, one of the largest bullion bank, he presently heads Commtrendz Research, an aspiring hedge fund based out of India.

He is also an advisor to the Multi Commodity Exchange of India Ltd (MCX). A regular columnist for The Hindu Business Line, one of the leading Indian financial dailies, his weekly column on the analysis of Commodity markets is widely read, both in India and overseas. He is regularly invited by various television channels including CNBC to opine on the Commodity markets.

Yeshwant Rao is one of the most respected and sought-after analysts in the Foreign Exchange/ Commodities markets. He is also the co-founder of Commtrendz Research. His views on the Forex market appearing on Reuters newswires have a wide readership all over the world. His present responsibilities include devising Risk Management Strategies for Reliance Industries' petroleum business, one of the largest Indian conglomerates. He was also the head of Foreign Exchange/ Interest Rate Risk Management of Arvind Mills Ltd., the third largest denim-manufacturer in the world. Earlier he was the chief dealer of Indian Overseas Bank.



We trust that the purpose of business is to add value to our **CUSTOMERS, SHAREHOLDERS, STAFF & SOCIETY.**

SPECIFICATIONS

Details	Public Pool	Private Pool
Minimum Investment	\$25000	\$100,000
Lock-In	First 1 month	First 3 months
Hurdle Rate	5%	8%
Management Fee	0.4% per Qtr	0.25% per Qtr
Performance Fee	25% of returns over hurdle rate, charged Quarterly	25% of Returns over hurdle rate, charged Quarterly
Withdrawals / Additions	During the first week of every month after lock-in. 42 hours notice	During the first week of every month after lock-in. 42 hours notice

PAST PERFORMANCE

Following shows our track record in commodities in the past Absolute Monthly returns (in percentage)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005					2.48	0.57	-0.38	2.6	4.1	4.53	1.8	2.3
2006	5.04	6.81	5.63	9.11	21.2	36.93	4.77	16.93				

DISCLAIMER

KomBench uses the 'Discretionary trading' clause of DGCX to invest the proceeds. KomBench DMCC does not operate under the 'Fund Management' clause specified by Central Bank of UAE. KomBench is licensed by Emirates Securities and Commodities Authority and is a registered member of Dubai Gold and Commodities Exchange (DGCX).

Any view or opinion expressed above regarding any commodity / Futures / Investment is just for information purpose and not to be construed as an advice / solicitation of business. Neither KomBench DMCC nor the staff takes any responsibility for any action on the basis of any such information. Any view or opinion expressed is based on facts believed to be true and KomBench is not responsible for ensuring the accuracy of the data or information.

Past performance is only indicative and is no promise for future performance. The performance data presented elsewhere is for a similar product. Trading in futures involves use of leverage which may magnify the returns, both positive and negative.

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